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ABSTRACT

As one views the interface of American and other cultures in international business, the first and most vivid impression is a lack of awareness of cultural differences. Persons are assigned to foreign duty with little if any briefing about the culture they will enter. Two approaches to improving the handling of international business are exemplified by the programs of two existing multinational corporations. The first company opted for a bicultural, selective, heavily experiential program aimed at an integrated changing of behaviors. The second company completed an extensive corporate needs assessment which led to the decision to opt for cultural awareness rather than behavioral change. Planners of any corporate intercultural program must address five issues: (1) program goal of behavioral change or increased cultural awareness, (2) culture-general or culture-specific emphasis, (3) on-site or home office location, (4) comprehensive or selective initial effort, and (5) centralized or decentralized project manager. Since no one model will fit all organizations, there are several operation requirements for a successful, intercultural program in any corporation: flexibility to meet the needs of each department creatively; an open system that permits access to resources outside the corporate offices; and status, authority, and power, in the form of upper level support. (HTH)

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CORPORATE MODELS FOR HANDLING INTERNATIONAL BUSINESS

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Introduction

The title of this paper suggests that good corporate models for handling international business exist. Such is not the case. In actuality, only a few American-based companies devote significant time or money to making cultural adjustments in business practices or personal conduct. Efforts made by these pioneering companies have been sporadic and fragmentary. However, these demonstrate increased interest in the cultural dimension of multi national business. Perhaps the time has come for the academic intercultural communication enterprise to join forces with the corporate world to create systematic and stable approaches to the development of organizational and personal intercultural competence.

We will look first at the status quo, noting particularly circumstances that have caused neglect of the cultural variables. Then we will survey the contrasting approaches of two companies, which have considered it important to "do something about" cultural differences. After examining the status quo and the experiences of the two selected companies we then isolate what I term "designer issues," the forks in the road of planning where directions must be chosen, arbitrarily. Finally, I list operational

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requirements for an ongoing international-intercultural corporate program that are intended to overcome current obstacles, while providing both direction and flexibility.

What this paper attempts to do is to facilitate the design and implementation of an effective, efficient intercultural program for any multi national corporation, a program that meets the unique needs of that enterprise here and now and into the future.

The Status Quo

As one views the interface of American and other cultures in international business the first and most vivid impression is lack of awareness of cultural differences. Persons are assigned to foreign duty with little if any briefing concerning what they need to know about the culture being entered. Professional, technical and managerial personnel who are natives of the countries where branches are located come to the home office in the United States without preparation for entering our culture. It isn't that these people are expected to make cultural adjustments automatically. Rather, managers and executives simply don't understand that adjustments are necessary, difficult and important.

This amazing insensitivity to cultural differences is in part a result of American ethnocentricity. We take for granted that American ways are best. While others can learn a great deal from us, we have little to learn from them--we think! Another damaging conviction that we Americans share is that the best advice for behaving appropriately in another culture is "Be Yourself." Deep down, people are all alike, we contend, so the differences we see must be superficial and can be ignored.

When corporate management holds beliefs like these it is to be expected that concern with adaptation to culture is assigned a low priority.

An overseas assignment carries low status, typically. Selection often hinges on who is willing to go, or, in some cases, who would we like to ship out. Rewards of serving the company in remote places are few. Punishments include becoming obsolescent--it is impossible for remote employees to keep abreast of technological and political changes--and being passed on the promotion ladder by those on the spot.

The manager coming home after a few years in another culture possesses valuable information that would be useful to his replacement and helpful to any others headed for that part of the world. Amazingly, this up-to-date, in context resource is seldom used. Returnees are preoccupied with re-establishing their position in the hierarchy. Bringing together people going somewhere with people who have been there is economical and common-sensical but is unheard of in most multinationals. Policy makers seem not to be interested in coping with cultural variables, probably because they are uninformed about culture per se.

Culturally naive top management administers the kiss of death to any intercultural innovation, typically. Here's how it works. Let us say that the home office is having problems with the branch in Bangkok, persistent difficulties in meshing Thai and American ways of doing business. Americans in the Bangkok operation ask for help. A proposal to send a Thai employee who is bi-cultural and an American manager with experience in Thailand to Bangkok, to consult for a few days reaches the vice president who must approve the expenditure.

The VP checks with the president who asks for more information about the difficulty. The VP says, why don't I go take a look, and see what if any help is needed? The president OK's this fact finding mission.

The VP sends a telex to Bangkok informing the manager there that he will visit briefly in two weeks.

News that top brass is on the way changes life in the Bangkok branch. Regular work is set aside while all prepare for the distinguished visitor. When the VP comes, the red carpet is out. Everything runs smoothly, the VP sees a model operation, and incidentally, the klongs, Thai boxing and Thai dancing girls. He returns and reports to the president, "Everything is great in Bangkok, no help is needed." End of intercultural project.

This abbreviated summary of the status quo suggests reasons why there are no substantial, company-wide on-going programs to develop intercultural competence.

Current Efforts - The Tale of Two Companies.

The two approaches to improving the handling of international business I present here are based upon experiences of two existing multinationals. I'm referring to them as "Company X" and "Company Y" because I have neither the knowledge nor the authority to tell their stories completely, and I want to be free to level and sharpen details to better dramatize similarities and differences in their programs.

Company X opted for a bi-cultural, selective, heavily experiential program aimed at an integrated changing of behaviors. Trainees were approximately sixteen American and Japanese managers with similar technical specialization and their spouses. The staff consisted of a

Japanese language trainer, an English language trainer, a cross-cultural communication trainer, the project director and technical consultants. Objectives were twofold, 1) smooth technology transfer and, 2) development of appropriate bi-cultural managerial skills.

Two hour training sessions were held once a week for a year. Americans and Japanese worked together in small groups on their actual corporate assignments. The attempt was to bring together technical information, cultural elements, language and attitudes in the context of work. Readings and cultural films provided informational input. Early experiential sessions were recorded on audio tape, analyzed by the trainer and the group, and written about by the trainees. Later video tape recording replaced the audio tapes, providing more comprehensive feedback to participants.

The Company X program stressed natural environment and learning by doing, with sufficient practice over time to make possible substantial behavioral change. Evaluation was by performance in critical incident video taped events, also in the context of work.

The Company X project demonstrated how highly specific bi-cultural training can be conducted at home or on-site, within the work environment. Small numbers of key managers are involved and the cost in time and money is considerable. However, increased and durable behavioral change and the effects of trainees upon others through modeling may be unique advantages of this intensive, experiential approach.

Company Y has completed an extensive international intercultural needs analysis of the majority of the corporation's world wide structure.

Survey and interview data were collected over approximately one year by a team of three investigators. Results showed company-wide need for training in three areas; international management, intercultural skills, and language abilities, with the language needs less critical than the other two. Most widespread of the problems in international management was a lack of understanding of the corporations' international structure. The major, intercultural obstacle that emerged was a predominant tendency among managers at all levels to view the company as an American rather than a multinational corporation. However, productivity was perceived uniformly as "definitely affected by cultural differences."

Of other survey results, these stand out. 86% of the managers stationed in other countries felt that the corporation "did little to prepare them to live abroad." For all managers involved in international operations the top need expressed was for "a better understanding of how business is conducted in other countries." Of the entire survey group 75% felt that the corporation "does not do a good job of encouraging intercultural understanding among its employees."

The needs assessment led to the design of a three part quite comprehensive program. One section is international management, the second is intercultural awareness, the third, languages. Approximately 1100 employees are targeted for training. International management and intercultural awareness are addressed in one or two day seminars and workshops, to be done in house with consultants and corporate staff. Language training utilizes many outside-the-corporation resources; available educational institutions, commercial language packages, etc.

The decision to opt for the objective of cultural awareness rather than behavioral change reflects the needs assessment finding of lack of cultural awareness. The one or two day seminar-workshop format may increase awareness, while more extended experience would be needed for behavior modification. Considering the number of trainees to be reached, something well over one thousand, the brief workshop format was mandated. Both international management and intercultural awareness efforts will be approximately evenly divided between culture-general and culture-specific orientations.

Company X and Company Y are experimenting with contrasting approaches. Company X creates a microcosm to see what can be done with an isolated concentrated intensive program. Company Y says, let's find out how we as a multinational corporation are handling international business, and move in the direction of doing first what the organization needs most. Both corporations are venturing into the unknown, doing potentially useful things, and we can learn from both.

Designer Issues--Forks in the Road

This section is for the planner of a corporate intercultural program. Five issues are presented. The planner must take a position on each in order to design a specific proposal. All five issues should be satisfactorily resolved before attempting to sell a package to management.

The first issue: is the program primarily to increase awareness or produce behavioral change? If the planner is starting from scratch, i.e. nothing has been done in cultural training, at least the first phase of the program must be aimed at awareness. In a firm which has experimented

with intercultural consulting and training over a period of years, behavioral change of key personnel may be the immediate need.

Second, will the program emphasize a culture-general or a culture-specific focus? Should it select a troublesome intercultural arena, say trade with Japan, and treat it intensively as a Japanese-American bi-cultural project, or survey several cultures important to the company and investigate their similarities and differences?

Third, should the program be conducted on-site or at the home office? In some instances supplying on-site consulting and training in the host culture may be most effective. Home base training is easily managed, convenient for the trainers and relatively inexpensive.

Fourth, will the initial effort be comprehensive or selective? Is the goal to reach all personnel involved in international business company-wide, or should it be targeted on a few strategically important operations? Many intercultural efforts founder on indigestible numbers. But it is difficult to subdivide an organization, to supply a lot of intercultural services to one unit and none to another at the same level.

Fifth, should the management of an intercultural communication project be centralized or decentralized? It is undesireable to have the inter-cultural work done in drastically different ways in various parts of the corporation. Yet a central office may be unable to adapt its program to the particular needs of a given unit.

Operational Requirements for an On-going Program

Since no one model will fit all organizations I'm listing operational requirements for a successful, enduring, international, intercultural program

in any U. S. based multinational corporation.

STATUS-AUTHORITY-POWER

Lack of these elements had doomed most attempted international-intercultural corporate programs. Why?

. Because of vested interests. Somebody, usually several people, have been making decisions that affect the conduct of international business-managing transactions with remote operations, selection of personnel, training, etc. These folks want to keep control, understandably.

. Intercultural training has no intrinsic validity for Americans. So, there is no spontaneous acceptance for the new venture, to help it along.

. Clout and clout alone can keep an international-intercultural program afloat. Only the frequently articulated backing of the CEO and of others in top management can make possible a significant program. Status, authority and power come from support at the top.

Given the support of top brass and sufficient money to get started, what are the minimum essentials of the international-intercultural managerial unit?

. An individual with technical competence, knowledge of intercultural communication and with managerial skills should be assigned the development and direction of the corporation's international-intercultural training as her/his sole responsibility.

. The Director of International-Intercultural Training should have no other duties.

. The Director should have a secretarial staff, an office and a budget.

. The Director should report directly to a powerful individual in top management, ideally to the Chief Executive Officer, if not to the CEO, then to the highest ranking vice-president.

. Individuals previously having international-intercultural training responsibilities should report to the Director of International Intercultural Training.

If the above requirements are met, the status-authority-power climate will create favorable conditions for implementation of an international-intercultural program.

Requirements for the program itself are not as easily specified. An obvious operational requirement is a NEEDS ASSESSMENT to identify and quantify deficiencies to be overcome. As in the case of Company Y, the assessment will supply facts that justify certain measures and expenditures. More important, however, is its public relations dimension. The process of assessing international-intercultural needs increases awareness of culture and its effects. Results of the research are both anticipated before and talked about after their dissemination. Properly conducted, the needs assessment is an indispensible part of the international-intercultural program.

A second requirement is FLEXIBILITY. The Director must be free to meet the needs of every unit and situation creatively. This can be accomplished only if the Director adopts a JOINT VENTURE mode of management, using resources of the agencies with which he works.

A third requirement is that the Director treat the corporation as an OPEN SYSTEM. For example, community resources are used. A nearby

university or college has a foreign student population that includes bicultural people potentially useful to the corporate international program. The Director should locate these talented individuals, probably through the International Student Advisor's Office, and provide them part time employment that exploits their language expertise and intimate familiarity with certain cultures.

Finally, a sensible requirement of implementation is that the Director build a program that is consistent with positions taken on the five DESIGNER ISSUES. Decided appropriately, these choices can facilitate planning and guidance of a balanced productive system of handling international business.